

# International Marketing

Utah State Office of Education



# **INTERNATIONAL MARKETING**

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## **Forward**

The Utah State Office of Education has a strong commitment to prepare high school students for the entry-level work force upon graduation. This market-driven, competency-based marketing curriculum has been developed to aid in this endeavor.

The national Marketing Education Resource Center, Inc. in conjunction with marketing teachers and businesses throughout the United States, have identified and helped develop the competencies related to this curriculum. This curriculum prepares students for viable marketing-related jobs following graduation from high school.

Steven O. Laing  
State Superintendent of Public Instruction

# Acknowledgments

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➤ Chris Black

# **INTERNATIONAL MARKETING**

**Utah CIP Code 08.7999**

## **CURRICULUM CONTENTS**

### **Global Economy:**

- ▶ Explain the dependence on international commerce of at least two countries.
- ▶ Describe the effect international competition has on the business environment in the United States.
- ▶ Outline the role of direct investment and multinational corporations in the global economy.
- ▶ Identify how the goal and functions of marketing are involved in international trade.

### **Political Environment:**

- ▶ List the characteristics of political systems in the global market including: democracy, totalitarianism, capitalism, communism, and the mixed economy.
- ▶ Give examples of how each of the three layers of political influence affect businesses.

### **Legal Environment:**

- ▶ Identify the two basic types of legal systems existing in the global market.
- ▶ Outline the three layers of the international legal environment.
- ▶ Evaluate three methods of settling international disputes.

### **Cultural Influences:**

- ▶ Define the elements of culture and the need to understand cultural diversity.
- ▶ List the building blocks of culture.
- ▶ Discuss the importance of verbal and nonverbal communication in global marketing.
- ▶ Demonstrate how values and attitudes affect international marketing activities.
- ▶ Distinguish reasons cultures change and adapt over time.
- ▶ Determine the need for ethical decisions regarding international marketing.

### **Economic Environment:**

- ▶ Define economics by explaining the relationship between limited resources and unlimited wants and needs and how they connect the global market.
- ▶ Explain the value of leading indicators in analyzing a nation's economy.
- ▶ Identify the role of specialization, comparative advantage, and opportunity costs in global marketing.
- ▶ Discuss the management of risk involved in international marketing.

## **Market Research:**

- ▶ List and explain the steps in the market research process.
- ▶ Evaluate how marketing research differs in international markets.
- ▶ List types of information needed in a typical international marketing research process.
- ▶ Locate and collect secondary data.
- ▶ Describe primary data collection techniques for international research.

## **Product Planning & Development:**

- ▶ Understand the meaning of the term product and why companies extend their products into foreign markets.
- ▶ Recognize the importance of a global brand strategy and differentiate between product adaption and product standardization.
- ▶ Evaluate appropriate package design for the international market.
- ▶ Describe the role of quality in global marketing including the significance of ISO 9000 certification.

## **Organizing for International Business:**

- ▶ Evaluate the importance of geographic factors and product line factors in developing a master plan for expansion into global markets.
- ▶ Explain market-entry strategies including exporting, licensing, franchising, management contracts, joint ventures, direct investment, and wholly owned subsidiaries.
- ▶ Identify considerations in choosing a market-entry strategy that is appropriate for the company and the market.
- ▶ Outline three organizational structures used by companies to serve their international markets.

## **Global Channels of Distribution:**

- ▶ Define channels of distribution and the distribution process.
- ▶ Evaluate elements involved in making distribution decisions.
- ▶ Explain the differences between export trading companies, export management companies, custom house brokers, and freight forwarders.
- ▶ Identify the modes of transportation and the packaging and labeling requirements unique to each.
- ▶ Recognize documents used in channels of distribution.
- ▶ Describe a variety of common trade restrictions.

## **Foreign Exchange and International Finance:**

- ▶ Explain the role of money and currency systems in international business.
- ▶ Identify factors that affect the value of currency.
- ▶ Calculate foreign exchange rates of various currencies and the resulting buying power of the dollar.
- ▶ Discuss factors that influence pricing.
- ▶ Describe the various methods of payment in the global economy.

## **Promotion:**

- ▶ Evaluate the types of advertising and their challenges in the global market.
- ▶ Understand the purpose of sales promotion and its relationship in the global arena.
- ▶ Analyze the elements to consider in developing an international sales force.
- ▶ Identify the role publicity and image play in global public relations.
- ▶ Outline various global promotion strategies which emphasize an integrated global promotion mix.

## **Marketing Mix:**

- ▶ Summarize the semester information in terms of the marketing mix.
- ▶ Identify business opportunities in the global market.
- ▶ Evaluate potential demand and consumer behavior patterns.
- ▶ Plan the marketing strategy for the marketing mix based on marketing research.

## **Careers:**

- ▶ Identify international business career opportunities based on personal factors and job availability.
- ▶ Outline attitudes, skills, and knowledge to qualify for an international career.
- ▶ Create a personal data sheet and application letter for global marketing position.
- ▶ Practice interviewing for opportunities in various cultures.
- ▶ Explain how careers can develop and change as well as employment trends in international marketing.



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### **RESOURCES**

Marketing in a Global Economy, John Turner and Gina Bottoms Maio, South-Western Publishing Company, 1995.

Business in a Global Economy, Les. R. Dlabay and James Calvert Scott, South-Western Educational Publishing, 1996.

Retailing: Marketing and Business, 2.0, Student Guide

Globe: An International Trade Program, Junior Achievement International, 1995.

Conducting Business Around the World, Kruzel, South-Western Publishing Company, 1993.

International Trade, Economics LAP 4, 1987.

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### **PRACTICAL APPLICATION ACTIVITY**

#### **Objective**

This activity will provide the participants with the opportunity to:

1. apply marketing skills in an international setting
2. prepare a written proposal for a new business venture

#### **Description**

The students are to assume the role of trainees for a multinational company. The students are assigned the task of investigating and developing a plan to begin a new business venture to either import or export a product and/or service to or from a country of their choice.

Information about international marketing and starting a new business may be obtained from the teacher, businesspeople, library, government agencies (such as Small Business Administration), etc.

Students are encouraged to use an advisory committee to help gather information, check plans for realism and prepare the proposal. One or two businesspeople should make a good advisory committee.

#### **I. Introduction**

The type of business, product and/or service description, description of the country, rationale for selecting the country, identification of existing trade barriers, sources of information.

#### **II. Analysis of the international business situation**

- A. Economic political and legal analysis of the trading country
  1. Describe the trading country's economic system, economic information, important to your proposed product and/or service, the level of foreign investment in that country.
  2. Describe the trading country's governmental structure and stability, how the government controls trade and private business.
  3. Describe laws and/or governmental agencies that affect your product and/or service (i.e., labor laws, trade laws; USA and/or Canada, and foreign).
- B. Trade area and cultural analysis
  1. Geographic and demographic information, important customs and traditions, other pertinent cultural information, competitive advantages and disadvantages of the proposed business.
  2. Market segment analysis target market (age, income level, population estimate, other specific demographic and economic information), customer buying behavior related to the proposed business.
  3. Analysis of the potential location-importance and requirements of each trade document required by the USA and/or Canada and the country of choice.

#### **III. Planned operation of the proposed business**

- A. Proposed organization: type of ownership and rationale; start-up steps to form the business; planned personnel (or functional) needs; proposed staffing to handle managerial, financial, marketing, legal, production functions (if applicable); proposed organization chart, brief job descriptions, if necessary.
- B. Proposed product/service
  1. Details of the product(s)/service(s) to be offered. Include potential suppliers, manufacturing plans, inventory policies, if applicable. If the business is a service

business, appropriate information about plans to provide the service, including necessary supplies.

2. How the product/service will be transported to/from the home country; costs, benefits, risks of the transportation method; documents needed to transport the product.

**C. Proposed strategies**

1. Proposed pricing policies, what currency will be used, costs, markups, markdowns, relation to competition, factors that could affect the price of the product (i.e. competition, political conditions, taxes, tariffs, transportation costs, etc.)

2. Proposed promotional program, promotional activities, media availability, costs, one-year promotional plan outline, local customs relating to business readiness.

**IV. Planned Financing**

A. Projected income and expenses. (The following are recommended items to be included. Select the appropriate items for your business.)

1. Projected income statements for first year's operation (sales, expenses, profit/loss).

2. Projected balance sheet for the end of the first year.

3. A brief narrative description of the planned growth of the proposed business, including financial resources, needs and a brief three-year plan projection.

**V. Bibliography**

**VI. Appendix (if applicable)**

Include any exhibits appropriate to the written entry, but not important enough to include in the body; these might include sample questionnaires used, letters sent and received, general background data.